

Exhibit L



Started from "buying and selling," he had wanted to create a "beibei.com" in the U.S., and received investment from Frees Fund and IDG Capital



Xiaofanzhuo (xfz.cn)

Entrepreneurship starts from here - Xiaofanzhuo (literally, Small Dining Table) (xfz.cn)

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- Text by xfz.cn New Media Reporter Bin He -

Maternity and infant business is a trillion-dollar market to be tapped, which appears beautiful but is close to saturation. As such, this industry has also begun to explore oversea markets.

Can Wang is a part of this wave of going beyond the borders. He chose to enter the US market in the children's clothing segment, which has a mature supply chain in China, and established PatPat, an overseas mobile B2C children's clothing e-commerce company providing a full range of products.

Maternity and infant communities and e-commerce companies in China have given rise to those that include beibei.com, babytree.com, lamall.com (Hot Mom to Help), and miyabaobei.com (now "mia.com"). While abroad, this is still a blue ocean. Statistics show that the maternity and infant market in the U.S. has reached \$1.7 trillion, and children's clothing represents a market size of about \$38 billion.

Wang told xfz.cn that in 2016, China's export of knitted products accounted for 34% of global market share, of which children's clothing accounted for 70%, and a gap still exists in maternity and infant e-commerce in the United States, Australia, and Arab countries.

At present, PatPat has entered into partnership with more than 200 suppliers in China and more than 20 suppliers in the U.S., and per customer price is about \$60. In the capital market, PatPat received a multi-million-dollar Series A investment from IDG Capital in December 2014 and a multi-million-dollar A+ round of financing from Frees Fund in September 2015.



▲ PatPat team

From reselling cartoons to engaging in children's clothing e-commerce

Wang studied management-related courses at Communication University of China, but he was very interested in technology. As a result of his excellent academic performance, upon graduation, he became a student in the information systems master's program at Carnegie Mellon University. After graduating, he went to engage in big data research at Oracle, the largest enterprise software company in the world.

Speaking of his initial entrepreneurial experience, we should start from his "buying and selling." In 2011, as he saw the popularity of China's cartoon export market, Wang went back to China to help out with the animation company at home. During this period, he helped to distribute more than 200 Chinese cartoons to more than 70 regions in Southeast Asia, Arabia, and the United States.

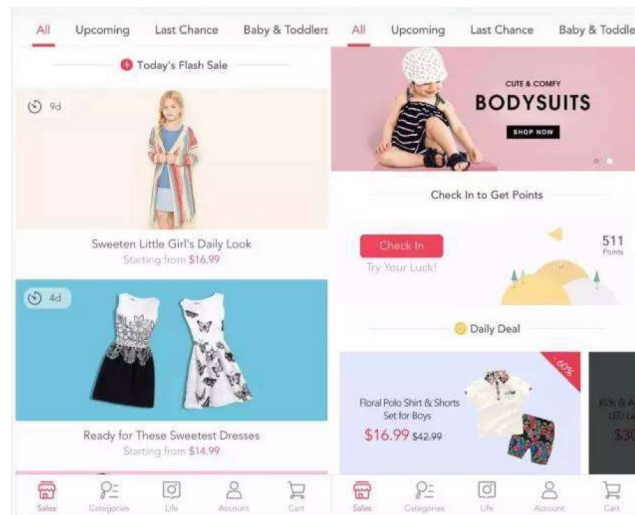
His busy life of running exhibitions and shows for more than a year made Wang start to think about his interests and strengths. After careful consideration, he still chose to go back to Oracle and continue to write programs, where the god of fate gave him the opportunity to meet Can Gao, who became his partner.

At that time, the business model in Gao's projects was very simple - he had shoes produced in Wenzhou, Zhejiang Province that were shipped to Silicon Valley for sale. Although the sales were good, it remained just a business. Gao began to think about how to find new product categories to enhance the ceiling of his business model. At this time, Gao found Wang and was ready to do something new.

After much effort in choosing their products, the two ended up focusing on three categories, including women's clothing, toys, and children's clothing.

In the United States, the women's clothing market is a mature one both online and offline, while children's clothing and toys are still a blue ocean.

They tested the market with toys first. "After two or three months, we have always felt that this was not a good idea." First of all, there is too much to deal with in terms of IP for toys. Several big toy companies control more than 90% of the IP. Toys exported from China have the risks of infringement. Secondly, "Toys are big and heavy, and you cannot win over large stores in terms of international logistics and get the accounts right. At that time, mia.com and beibei.com enjoyed rapid growth on the other side of the ocean, which gave them inspiration.



▲ PatPat product page

Looking back at the maternity and infant e-commerce at that time, we mainly have two means to get in: one is to do so with standard products requiring fast delivery, good-quality products, and high cost-effectiveness; and the other is the model represented by beibei.com, whose important component is non-standard children's clothing. In the United States, it is certain that anyone who chooses the first model would lose out to mature e-commerce companies such as Amazon, so choosing non-standard children's clothing has become the decision after consideration.

Wang analyzed the main foreign competitors, including Zulily, Carter's, and Gymboree. Zulily started with children's clothing and has transformed into a business that focuses on women's clothing. Carter's is the largest children's clothing company in the United States, with traditional off-line stores as its main business model while also a player in online e-commerce, selling products manufactured by itself. Gymboree's business is similar to that of Carter's.

According to Wang's analysis, there are things you can do in this industry but with obvious pain points: low logistics efficiency of export products and too many products without the "three elements" (no description or information on any Chinese, American, or European standards) indicating strong rural market tastes for lousy products. Many export brands show no understanding of the mode of publicity and have no distribution channels. **The exporters and importers in the traditional supply chain can be replaced but not removed. PatPat chose to get in through this.**

Forced brand upgrade

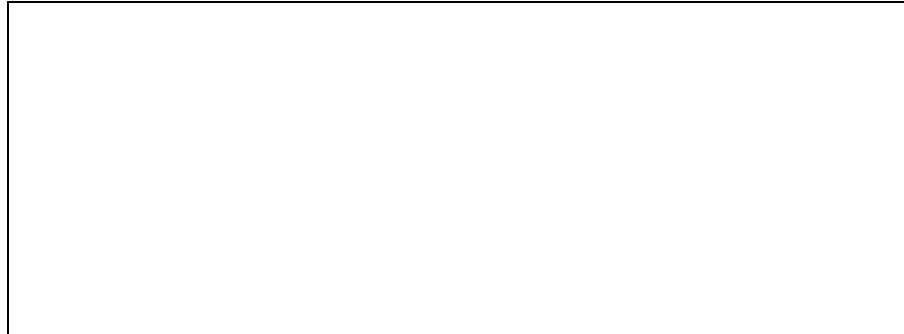
Wang's idea is to get others to do what they can do, and PatPat only needs to provide convenience to suppliers and ensure that everything is under good control.

Quality, production capacity, and style are the three important dimensions in the selection of suppliers.

In terms of product selection and quality control of suppliers, PatPat requires suppliers to provide certifications to help manufacturers contact independent third parties to carry out quality inspections. With the economies of scales, independent third-party inspection fees are reduced. For example, an overall lead test in the United States will cost USD 500, but an independent third-party certification agency recognized by the American Consumer Safety Association would only charge RMB 500 yuan, and this agency also conducts random inspections on products, product standards and descriptions before storage.

Standardized product descriptions that can arouse American consumers' desire to buy are a must from export suppliers. In this regard, PatPat has a dedicated team and a moms' team organized in the United States who engage in modifying and copywriting product documentation based on that of companies such as beibei.com and jumei.com while optimizing product photos to enhance product image and increase product premium. In terms of packaging, PatPat, as a channel brand, provides tags and packaging that cater to the aesthetics of European and American mothers.

In terms of positioning, PatPat focuses on mothers aged 25 through 35 with intermediate- and high-levels of income in the United States, Australia, and the Middle East. The current per customer price is around \$60, with the cost of customer acquisition around \$15 and a repurchase rate of about 30%. In terms of traffic, the United States accounts for 40%, Europe accounts for 40%, and other countries account for 20%. On the PatPat platform, Chinese brands account for 80% and foreign brands account for 20%.



▲ PatPat is recommended on the homepage of the Apple Store in the United States

Wang told reporters that one of the difficulties in doing cross-border e-commerce is the presentation of good products in a good way, and another is the selection of marketable products and their quick delivery to consumers to reduce logistics and inventory pressure. Wang has gone through a lot of pits in this area, and his way is to establish his own logistics system (renting warehouses) and cooperate with third parties.

"We have cooperated with 50-60 logistics providers. We chose the ones who were faster and cheaper in prices in certain processes, and in the end, we had about 20 logistics providers left. Together with our own logistics system, it resulted in the formation of PatPat's current overall logistics configuration." Wang told xfz.cn about PatPat's current cost structure: about 20% for logistics (it is about 25%-30% for most other cross-border e-commerce companies), 30% for product cost, and 30%-35% for marketing cost. With transaction taxes charged by third party platforms, our gross profit is about 10%.

Talking about PatPat's "moat," Wang said that the team's long-term goal is to capture foreign traffic. As the team has been dealing with products in Europe and America for a long time, it can grasp the consumption habits of Europeans and Americans and accurately connect with foreign media, social networks, and celebrity/Internet celebrity resources, so the traffic is more diverse compared with competing products.

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Date: October 24, 2022

A handwritten signature in black ink, appearing to read 'Wolf Markowitz', is written over a horizontal line.

Wolf Markowitz

A handwritten signature in blue ink, appearing to read 'Rochal Weiss', is written over a horizontal line.

Signature of Notary Public
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